ADDRESS

OF THE

DEWAN OF MYSORE

TO THE REPRESENTATIVE ASSEMBLY HELD AT MYSORE,

on Monday, the 19th October 1896.

GENTLEMEN,

By command of Her Highness the Maharani-Regent, I have the honor to request your attention to the following statements of the Income and Expenditure of the State during the past official year which ended on 30th June 1896:—

Receipts.

Heads of Receipts.	Final, 1894-95.	Preliminary, 1895-96.	Difference.
	Rs.	Rs.	Rs.
Land Revenue	95,75,557	97,68,358	+1,92,801
Stamps	7,10,533	7,64,163	+53,630
Excise... Arrack...	17,90,740	18,94,661	+1,03,921
Excise... Toddy	13,50,104	14,33,254	+83,150
Excise... Miscellaneous	52,263	63,034	+10,771
Sayer	4,41,852	4,29,178	—12,674
Mohatarfa	2,64,533	2,66,504	+1,971
Forests... Sandalwood	8,57,746	8,01,043	—56,703
Forests... Timber	2,04,571	1,76,766	—27,805
Forests... Minor Forest Produce	2,79,103	2,84,085	+4,982
Forests... Kheddas	40,096	30,329	—9,767
Gold Mining	7,34,527	7,74,885	+40,358
Registration	96,180	1,03,719	+7,539
Amrut Mahal	19,334	26,813	+7,479
Investment Account	4,28,059	3,33,004	—95,055
Interest on Madras Bank Deposits	1,03,249	91,005	—12,244
Interest on Loans and Revenue Arrears	38,785	34,238	—4,547
Law and Justice ... Courts	58,192	56,203	—1,989
Law and Justice ... Jails	23,259	21,186	—2,073
Education	87,835	91,968	+4,133
Departmental receipts	19,345	37,991	+ 18,646
Public Works	32,848	23,138	—9,710
Acreage Contribution of previous years transferred to General Revenues	1,47,296	...	—1,47,296
Other Items	1,21,129	1,39,905	+18,776
Total.....	174,77,136	176,45,430	+1,68,294
State Railways ... Revenue Account	5,31,452	6,20,674	+89,222
State Railways ... Adjustment of previous years' transactions	42,902	...	—42,902
Total.....	5,74,354	6,20,674	+46,320
Grand Total including State Railways.....	180,51,490	182,66,104	+2,14,614

Expenditure.

HEADS OF EXPENDITURE.	Final, 1894-95.	Preliminary 1895-96.	Difference.
	Rs.	Rs.	Rs.
Subsidy	24,50,000	24,50,000	...
Civil List	14,00,000	14,00,000	...
Pensions to the Members of the Royal Family ...	....	80,000	+80,000
Political Pensions including allowances in lieu of Jahgirs..	1,10,510	1,08,761	—1,749
Refunds and Drawbacks	2,21,304	2,64,202	+42,898
Land Revenue Establishments	7,88,146	8,08,810	+20,664
Remuneration of Village Servants	5,90,030	6,70,492	+80,462
Stamps	32,793	41,346	+8,553
Excise	1,72,354	1,79,790	+7,436
Sayer	13,174	13,778	+604
Forests including Elephant Kheddas	4,65,355	5,16,450	+51,095
Gold Mining	6,873	7,950	+1,077
Registration	49,615	48,940	—675
Amrut Mahal	27,735	28,368	+633
Interest	2,21,611	2,25,225	+3,614
General Administration	3,20,992	4,00,506	+79,514
Law and Justice { Courts	7,95,714	8,22,903	+27,189
Law and Justice { Jails	79,838	76,523	—3,315
Police	7,61,924	7,85,833	+23,909
Education	4,84,170	5,00,632	+16,462
Mujroyi	3,38,616	3,26,695	—11,921
Medical	2,55,296	3,11,588	+56,292
Government House	1,31,347	59,152	—72,195
Scientific and Minor Departments	1,74,752	1,85,794	+11,042
Superannuation Pensions and Gratuities, &c. ...	2,78,276	2,62,420	—15,856
Stationery and Printing	1,59,232	2,06,159	+46,927
Premia, &c., on Govt. of India Pro-Notes	1,44,585	1,12,710	—31,873
Other Items	4,32,862	2,89,401	—1,43,461
Famine Relief	89,638	6,291	—83,347
Public Works, including Special Sanitary Works ...	29,37,474	32,12,481	+2,75,007
Army	9,77,652	9,81,470	+3,818
Total.....	149,11,866	153,84,670	+4,72,804
State Railways { Interest on expended portion of Railway capital of the Mysore Harihar Line	8,74,013	7,53,871	—1,20,142
State Railways { Other Railways capital account ..	1,52,763	1,17,311	—35,452
State Railways { By adjustment of transactions prior to 1886	27,301	..	—27,301
State Railways { Railway Redemption Fund ..	4,00,000	..	—4,00,000
Total....	14,54,077	8,71,182	—5,82,895
Grand Total including State Railways....	163,65,943	162,55,852	—1,10,091

Before proceeding to offer any comments upon the foregoing statements, I must explain, by way of preface, that the figures therein given for the year 1895-96 are only approximate and not actual, as the accounts of the year have not yet been finally closed under the following circumstances. You doubtless remember how three years ago it was found necessary, as a result of the extension of the *khistbandi*, to advance the end of the official year by three full months from 31st March to 30th June. This has reduced the interval of time between the close of the official year and the Dasara from six to three months, and the latter interval is found to be quite insufficient for the methodical final closing of the year's accounts, with all necessary adjustments, after reference to, and explanation from, the various District and Departmental officers concerned. During the past three years we have tried the plan of closing the year's accounts before the Dasara, but the strain thereby imposed upon the Account Department is found to be undesirable in many ways. It has thus become necessary to adopt, for the purpose of the annual meeting of this Assembly, the preliminary figures for the past year, the latest final figures available being those for the year preceding it.

Land Revenue.—Turning now to the statement of Income, the first item which claims our attention is Land Revenue. In the amount actually realized, there has been an increase of Rs. 1,92,801. This improvement was due chiefly to extension of cultivation. An aggregate area of 94,000 acres of waste land bearing an annual assessment of Rs. 1,02,000 was taken up during the year for occupation. The extension was most marked in the Districts of Kolar and Tumkur. The sale of occupancy rights, Salt pans and other minor sources also contributed in some measure to the improved collection of the year, and the uncollected balance at its close was normal (namely Rs. 4,90,000 against 5,05,000 at the close of 1894-95).

You will be glad to hear that the continued improvement of "Land Revenue" during the past several years, has enabled the Government to adopt definite measures for a material reduction of the taxation upon the Malnad *Areca* gardens. The subject had come under discussion at previous meetings of the Assembly and had been under enquiry and investigation for some years past. It is not necessary on this occasion to enter into the conflicting opinions advanced from time to time. It is evident that the garden owners, with scarcely any exception, all prefer a reduction of the land tax which is fixed and is felt as burdensome, to the abolition of the Sayer duty, the incidence of which is regulated by the year's actual production, and it is also clear that they do not look with favor upon a system of Tree-tax, though under such a system the land tax would be reduced to the very moderate ordinary rice

rates and the Sayer abolished altogether. Under such circumstances, the Government have decided to reduce the garden land tax in the Malnad (*i. e.*, in the four important *Areca* producing Taluks of Sorab, Sagar, Nagar and Koppa), to the rates in force in the Tirthahalli Taluk, which are acknowledged by all concerned as moderate and as equitable in every way. The Superintendent of the Revenue Survey and Settlement has accordingly been instructed to revise the assessment of gardens in the four Malnad Taluks above named, so as to make the resulting ratio of assessment per acre to value of gross acreage produce, correspond with what already prevails and has given satisfaction in the Tirthahalli Taluk. The revision operations which are ordered to commence next cold weather will be pushed to rapid completion. The measure involves some sacrifice of the present Land Revenue, but it will afford very substantial relief to an agricultural class, deserving of special consideration. The relief intended is fully 22 per cent of the present *Areca* Land tax.

Stamps.—The Revenue from both General and Court Fee Stamps shows a small increase, which was fairly distributed throughout the Province and aggregated Rs. 53,630.

Excise.—To the increase of Rs. 1,97,842 under Excise, Arrack contributed Rs. 1,03,921, Toddy Rs. 83,150 and other items Rs. 10,771. The increase under Toddy included the sum of Rs. 40,000 being the arrears of the previous year, leaving the balance of Rs. 43,000 as the real increase of the year, and this resulted from competition at the sales of Vend Farms. Out of the increase under Arrack, about Rs. 33,000 was on account of the higher rental secured at the sales of Vend Farms and Separate Shops, and Rs. 71,000 was the increase in duty on a larger consumption.

The actual quantity of arrack consumed in the Province rose from 426,573 to 443,486 gallons, showing an increase of 16,913 gallons or about one-half the increase observed last year. The increased consumption is found to be very unequally distributed. The Bangalore City and the Kolar Gold Fields, our chief industrial centres, where the number of shops was the same as in the previous year, each cotributed fully to a third of the entire Provincial increase. Examining the rate of increase during the past two years, we observe that in the Coffee Taluks it has declined from 13·49 to 2·07 per cent, in the particular localities comprising the Bangalore City and Taluk, the Kolar Gold Fields and the Mysore City, the decline was from 10·82 to 6·9 per cent, and in the rest of the Province from 5·61 to 2 per cent. The increased consumption of the past year, though less when compared with that of the year previous, is still of

an appreciable nature, and there apparently is no sufficient means of checking such increase so long as favorable seasons and high rates of wages continue. Our arrack system, as you know, discountenances new shops except in localities where the practice of illicit distillation is proved, and it puts as high a price on the liquor as the consumer is able to bear without undue hardship. The selling price is already as high as 1 anna 8 pies the dram, equal to Rs. 5-5-0 per gallen 20° under-proof. Whether the duty for the locally manufactured article which is already Rs. 4 per gallon 20° under-proof can be safely raised to Rs. 4¾ (which is very nearly the British Customs Duty under the Indian Tariff Act VIII of 1894, per gallon of imported spirit of the strength of 20° under-proof), so as to allow of the price to the consumer being increased from Rs. 5-5-0 to Rs. 6-6-0 per gallon, is a question which is now engaging the attention of the Government. In coming to a decision it is necessary to consider how far so high a price as Rs. 6-6-0 per gallon, *i. e.*, 2 annas per dram, is calculated to inflict undue hardship upon the consumer who belongs generally to the laboring classes, or is likely to create an exceptional temptation for illicit importation or manufacture.

Sayer.—There was a falling off of Rs. 12,674 in Sayer collections, owing chiefly to a decline in the selling price of *Areca-nut* which was very noticeable during several months of the year.

Forests.—Under "Forests" excluding Elephant Kheddas, there has been a decrease of revenue to the extent of Rs. 79,526 due to smaller sales of sandalwood and timber. The sandalwood market was again dull last year and about 292 tons, representing a value of more than a lakh of rupees, had to be withheld from the annual sales.

Elephant Kheddas.—There were two drives and 32 elephants were captured. The first drive was witnessed by His Excellency Lord Elgin, Viceroy and Governor-General of India, and the second by His Excellency Lord Wenlock, Governor of Madras. The receipts fell to Rs. 30,329 owing chiefly to failure of operations at Chamrajnagar and the smaller herds captured at Kakankote. The expenditure rose to Rs. 77,623 owing to extensive repairs to the Kakankote Kheddas, payment of compensation for loss of crops and charges of operations in the Kadur and Shimoga Districts. The Department is being worked at a loss. The herds of elephants have apparently learned to avoid the fixed kheddas, and it has become necessary to resort to a system of drives, which cost much labor and expense but only succeed in securing small fractions of the herds. The desirability of a cessation of operations for some years to come is thus forcing itself upon the consideration of the Government, but before taking any final action, it has been decided to give a

year's trial to a different system of capture by surrounding the herds in the Forests, which, as carried on elsewhere, appears to have equal chances of success with probably less cost.

Gold Mining.—The Gold Mining Industry continues to prosper. The value of the precious metal extracted during the year amounted to £1,109,044 against £890,831 during 1894-95. The royalty on the year's production was £55,452, equivalent to Rs. 9,75,827 at the average exchange rate of 1895-96. The royalty actually realized and brought into account before the close of the year, however, was only Rs. 7,72,885.

Details of the production of the various mines during the past two years are given in the following table:—

Names of Companies.	1894-95.			1895-96.		
	Weight of Bar Gold produced.	Equivalent in Standard Gold.	Certified value in	Weight of Bar Gold produced.	Equivalent in Standard Gold.	Certified value in
	oz.	oz.	£.	oz.	oz.	£.
Mysore Gold Mining Company ...	58,504 13 9	58,416·890	227,044 14 7	91,129 16 10	91,496·879	355,657 9 1
Urigam do ...	65,499 13 0	62,795·749	244,308 10 0	72,301 3 0	69,715·270	271,409 11 3
Nundidroog do ...	37,440 18 19	35,783·268	139,303 13 0	40,950 9 14	39,089·496	152,699 0 0
Balaghat do ...	3,289 4 0	3,261·478	12,690 10 4	2,010 2 14	1,121·195	4,572 15 11
Nine Reefs do ...	1,162 5 0	1,037·019	4,031 0 8	311 7 0	258·694	1,004 3 8
Champion Reefs do ..	67,329 10 19	66,188·159	257,494 10 0	75,760 8 14	74,567·626	291,567 16 11
South East Yerrakonda do ...	177 0 0	142·612	555 19 10	... ...	...	... ...
The Gold Fields Mysore do ...	53 7 4	50·313	195 5 8	261 3 4	200·628	779 10 6
Mysore West do ...	587 15 10½	574·454	2,158 11 9	3,381 4 9	3,184·259	12,289 3 6
Mysore Wynaad do ...	587 15 10½	574·454	2,158 11 9	3,381 4 9	3,184·259	12,289 3 6
The Coromandal do ...	229 3 5	228·833	890 3 8	1,655 13 0	1,627·761	6,326 16 2
Honnali do ...	... ...	...	... ...	77 1 0	...	* 285 0 0
Kempinkote do ...	... ...	...	... ...	45 10 0	42·178	163 16 11
Total	234,861 6 5	229,053·229	890,831 11 3	291,265 3 2	284,488·245	1,109,044 7 5
				* approximate.	Increase...	218,212 16 2

Mysore, Champion Reefs, Urigam and Nundydroog are far ahead of the other mines. Mysore West and Mysore Wynaad are making satisfactory advance. Outside the Kolar Field, I regret to say, Kempinkote failed to meet with success, and Honnali is not being worked on a satisfactory scale.

Investments.—In the income from Investments there is noticeable a marked decline, owing to the reduction of the rate of interest for Government of India Securities from 4 to 3½ per cent. The interest received on Madras Bank Deposits was also smaller, owing to the general prevalence of lower rates of interest.

State Railways.—The Railway Receipts show an improvement of Rs. 89,222 owing to causes which I shall explain elsewhere.

To sum up, the improvement under Land Revenue, Excise, Gold Mining and Stamps amounted to over $4\frac{3}{4}$ lakhs. *Per contra*, there was a falling off of nearly two lakhs under Forests and Investments; the adjustment made in 1894—95 of previous year's acreage contributions, which added about $1\frac{1}{2}$ lakh to that year's receipts, did not of course recur; the Railway earnings were somewhat better than in the previous year; and the net improvement in total Revenue was over 2 lakhs.

Expenditure.—The total expenditure of the year including Railways was Rs. 162,55,852 against Rs. 163,65,943 in 1894-95. The principal items of increased expenditure are explained below:—

Rs.

80,000 under "Pensions to the Members of the Royal Family," is the amount of State Pension to the First Princess which became payable last year under the sanctioned scheme of State Pensions for the children of His Highness the late Maharaja.

42,898 under "Refunds," was due chiefly to the payment of amounts due to certain Inamdars which had been credited to the General Revenues in previous years.

20,664 under "Land Revenue Establishments," was due mainly to the revision of the salaries of Amildars and Deputy Amildars.

80,462 under "Remuneration of Village Servants," was on account of recently settled Taluks.

51,095 under "Forests" was owing to the repair of the extensive damage done to the Kakankote Kheddas by unusual floods, to the Khedda operations in Shimoga and Kadur, to the appointment of a separate Head of the Forest Department, &c.

79,514 under "General Administration," was chiefly on account of new items such as His Highness the Maharaja's education, the salaries of Councillors, &c.

27,189 under "Courts," was due to Special Tribunals for the adjustment of Brijilal Dass' claim and for land acquisition, to transfer of cost of the City Magistrates' Courts from "Land Revenue," &c.

23,909 under "Police," was on account of the purchase of carbines at a cost of Rs. 14,000 and allowances to the Talaries appointed to watch special ghaut roads.

16,462 under "Education," was due to the ordinary growth of the Department.

56,292 under "Medical" was owing chiefly to the increased supply of Europe medicines and to new buildings.

11,042 under "Scientific and Minor Departments," was due to the Geological Survey Establishment and Equipment being brought into full effect from 1895-96.

Rs.

46,927 under "Stationery and Printing," was on account of the purchase of special paper for Court purposes and the larger supply of Europe Stationery and Printing materials; and

2,75,007 under "Public Works," will be separately noticed hereafter.

The most noticeable decrease in expenditure was under Railways, owing partly to better exchange rates which reduced the interest payment on the English loan, and chiefly to the annual payment of 4 lakhs into the Railway Loans Redemption Fund being deferred pending the final approval of the Government of India to certain proposals regarding a separate Sterling Sinking Fund. It is proposed to limit the present Fund, which is in Rupee currency, to the 20 lakhs required to repay the local Railway loan, and at the same time to form a Sterling Sinking Fund for the liquidation of the Sterling Loan of £1,200,000 repayable in the year 1936. The annual payment required for such a Sterling Sinking Fund is £14,630 (equivalent to about 2½ lakhs at present exchange rates) for 42 years from 1895 to 1936.

I now hand you the statements of the Net Income and Expenditure of the State under all heads.

No. I.—Statement of Gross and Net Income, 1895-96.

HEADS OF RECEIPTS.	Gross Receipts, 1895-96.	Refunds & Drawbacks, 1895-96.	Charges, 1895-96.	Net Receipts, 1895-96.	Net Receipts, 1894-95.
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Land Revenue	97,68,358	1,80,641	14,79,302	81,08,415	80,27,285
2. Stamps	7,64,163	6,287	41,346	7,16,530	6,72,720
3. Excise	33,90,949	43,301	1,79,790	31,67,858	30,16,018
4. Sayer	4,29,178	48	13,778	4,15,352	4,28,642
5. Mohatarfa	2,66,504	...	...	2,66,504	2,64,533
6. Forests ... { Ordinary ...	12,61,894	3,895	4,38,827	8,19,172	9,21,528
6. Forests ... { Kheddas ...	30,329	...	77,623	—47,294	—9,294
7. Gold Mining	7,74,885	...	7,950	7,66,935	7,27,654
8. Registration	1,03,719	306	48,940	54,473	46,438
9. Amrut Mahal	26,813	...	28,368	—1,555	—8,401
10. Interest on State Investments and Bank Deposits ...	4,24,009	...	...	4,24,009	5,31,308
11. Interest on Loans, &c., Revenue arrears	34,238	...	...	34,238	38,785
12. Sundry other sources of Income	1,39,905	29,724	...	1,10,181	2,31,062
Total.....	174,14,944	2,64,202	23,15,924	148,34,818	148,88,278
13. State Railways	6,20,674	..	8,71,182	—2,50,508	—8,79,723
Grand Total including State Railways	180,35,618	2,64,202	31,87,106	145,84,310	140,08,555
Deduct—Net Expenditure as per Statement No. II ...				125,74,058	123,23,008
			Surplus...	20,10,252	16,85,547

No. II.—Statement of Gross and Net Expenditure, 1895-96.

HEADS OF EXPENDITURE.	Gross Expenditure, 1895-96.	Income, 1895-96.	Net Expenditure, 1895-96.	Net Expenditure, 1894-95.
	Rs.	Rs.	Rs.	Rs.
1. Subsidy	24,50,000	...	24,50,000	24,50,000
2. Civil List	14,00,000	...	14,00,000	14,00,000
3. Political Pensions	1,08,761	...	1,08,761	1,10,510
4. Pensions to the Members of the Royal Family	80,000	...	80,000	...
5. Interest on Mysore Railway Loan of 20 lakhs	1,01,420	...	1,01,420	1,01,700
6. Interest on Savings Bank Deposits and Charity Funds	1,23,805	...	1,23,805	1,19,911
7. General Administration	4,00,506	...	4,00,506	3,20,992
8. Law and Justice ... Courts ...	8,22,903	56,203	7,66,700	7,37,522
Jails ...	76,523	21,186	55,337	56,579
9. Police	7,85,833	1,247	7,84,586	7,60,465
10. Education	5,00,632	91,968	4,08,664	3,96,335
11. Mujroyi	3,26,695	...	3,26,695	3,38,616
12. Medical	3,11,588	15,762	2,95,826	2,48,246
13. Government Houses	59,152	...	59,152	1,31,347
14. Scientific and Minor Departments ...	1,85,794	12,370	1,73,424	1,69,180
15. Superannuation Pensions, Gratuities, &c.	2,62,420	...	2,62,420	2,78,276
16. Stationery and Printing	2,06,159	8,612	1,97,547	1,53,968
17. Premia, &c., on Government of India Pro-Notes purchased	1,12,710	...	1,12,710	1,44,583
18. Famine Relief	6,291	...	6,291	89,638
19. Public Works	32,12,481	23,138	31,89,343	29,04,626
20. Army	9,81,470	...	9,81,470	9,77,652
21. Other Items	2,89,401	...	2,89,401	4,32,862
Total.....	128,04,544	2,30,486	125,74,058	123,23,008

You will observe that the surplus of the year, after bearing a Railway deficit of 2½ lakhs, amounted to twenty lakhs, and, if we take into account the deferred Railway Loans Redemption Fund payment already explained, it will be reduced to about sixteen lakhs as in 1894-95.

The surplus of the year, Rs. 20,10,252 added to the opening balance of Rs. 127,23,615, gave a closing balance of Rs. 147,33,867 on 30th June 1896. Of this amount, Rs. 98,57,800 represent the nominal value of Government Securities (both Government of India Pro-Notes and Mysore Railway Debentures), and the remainder is the balance in the Madras Bank and the various Government Treasuries. The balance to the credit of the present Railway Loans Redemption Fund (proposed to be reduced to 20 lakhs as before explained) amounted to Rs. 28,69,395.

Before taking leave of the subject of finance, you will be glad to hear that the working of State Railways during the last year was fairly remunerative. The details are given in the accompanying statement:—

	Managed under S. M. Railway contract.		Managed under working agreements.							
	Mysore-Harihar.		Bangalore-Hindupur.		Mysore-Nanjangud.		Kolar Gold Fields.		Total.	
	1894-95.	1895-96.	1894-95.	1895-96.	1894-95.	1895-96.	1894-95.	1895-96.	1894-95.	1895-96.
1. Capital Outlay on 30th June	148,03,306	150,33,008	24,88,851	24,87,122	6,02,988	6,09,681	6,74,168	7,64,033	37,66,007	38,60,836
2. Gross Receipts ..	14,68,560	16,18,508	1,75,036	2,04,403	39,643	39,496	1,32,193	1,53,525	3,46,872	3,97,424
3. Expenditure (including S. M. Railway Provident Fund Contribution)	9,76,211	9,31,308	1,12,946	1,14,476	25,862	22,352	76,908	88,836	2,15,716	2,25,664
4. Percentage of Expenditure to Gross Receipts	66·47	57·54	64·52	56·00	65·24	56·59	58·18	57·86	62·19	56·78
5. Net Earnings ..	4,92,349	6,87,200	62,090	89,927	13,781	17,144	55,285	64,689	1,31,156	1,71,760
6. Percentage of Net Earnings to Capital Outlay.	3·33	4·57	2·49	3·62	2·26	2·81	8·20	8·72	3·48	4·45

Payments—MYSORE-HARIHAR—	1894-95.	1895-96.
Company's one-fourth share of divisible profits	1,23,096	1,71,767
Ditto percentage on Capital ..	0·83	1·14
Interest on the expended portion of the English Loan of £1,200,000.	8,03,929	7,60,493
Ditto percentage on capital ..	5·43	5·06
Total Payments	9,27,025	9,32,260
Percentage of total payments to Capital Outlay	6·26	6·20

On all our Railway Lines, the Gross Receipts show considerable improvement, and the proportion of working expenses to Gross Receipts was appreciably lower. In the case of the Mysore-Harihar Line, which is managed under the Southern Mahratta Railway Contract, the improvement in net earnings was very substantial and amounted to nearly 2 lakhs of rupees. On this line the percentage of net earnings to capital outlay rose to 4·57 from 3·33 in the previous year. The younger lines on the metre gauge, Bangalore-Hindupur and Mysore-Nanjangud, showed net earnings which represented 3·62 and 2·81 per cent of their respective capital, while the small Kolar Gold Fields Branch on the Standard Gauge earned the high rate of 8·72 on its capital. On the whole the net earnings of the State Railways must be regarded as highly satisfactory. But in the case of the Mysore-Harihar Line which is worked under the Southern Mahratta Railway Contract, there was a loss of Rs. 2,45,060. This was due to two causes, namely, 1st, the small exchange value of the Rupee which had the effect of raising our interest rate to 5·06 per cent on capital outlay, and 2ndly, the Company's one-fourth share of profits which represented 1·14 per cent capital outlay.

Vide Appendix.

The Preliminary Budget* for the current year, which is now before you, provides for an expenditure of Rs. 171,02,000. But it is desirable that I should draw your attention to the fact that the Revised Budget will have to take into account the proposed Sterling Sinking Fund, which I have already explained to you, the capital outlay on the proposed Birur-Shimoga Railway, which is properly not a charge on current revenues, and finally the provision required for payment of the enhanced Subsidy, which the generosity of the British Government had postponed for 15 years from the date of the Rendition and is now due from the current year.

Agricultural Banks.—As promised in my address of last year, model forms of the memorandum and articles of association for Agricultural Banks were duly promulgated. There is evidently an increasing appreciation of the benefits of such banks and at present there are 14 of them with Government loans aggregating Rs. 2,19,000. Fourteen new banks are in course of formation and the loans asked for on account of them amount to Rs. 9,65,000. Before any further expansion of the system is encouraged it is considered desirable to employ a special agency for the supervision of these Banks in the stability and continued improvement of which both the people and the Government are so deeply interested.

State Life Insurance.—There are now 1,645 effective policies, assuring an aggregate sum of Rs. 15,29,986-4-0, and realizing a monthly premium of Rs. 6,056-8-0. The total

number of bonuses paid up to the end of the year was 21, of the total value of Rs. 26,149. Deducting bonuses paid as well as establishment charges and contingencies, there was left in favor of the Fund a balance of Rs. 1,66,632 at the close of the year. It is indeed too early to judge of the financial effects of the scheme. So far, the State has been proceeding on lines whose safety has been established by experience elsewhere. It will be necessary ere long to submit the system for the examination of an Actuary. It must however be constantly borne in mind that the scheme owed its origin not to financial considerations of any kind, but wholly to His Highness the late Maharaja's gracious desire to confer upon members of the subordinate Public Service a substantial benefit over and above the ordinary pensions and gratuities grantable under the rules in force.

Local and Municipal Funds.—*Local Funds.*—Very nearly the whole of the revenues levied for local purposes was derived from the "one anna cess" on Land Revenue, Sayer, Excise and "Miscellaneous Revenue." The cess is a separate and additional levy as regards the Land Revenue and Sayer, but as regards Excise and Miscellaneous, it is virtually an assignment for local purposes of $\frac{1}{17}$th of the actual State Revenue. The total realizations of the cess during 1895-96 were as follows:—

	Rs.
On Land Revenue ...	6,58,048
On Sayer ...	26,842
On Excise ...	1,97,440
On Miscellaneous ...	10,534
Total.....	8,92,864

Twenty-four per cent of the total cess was, as usual, assigned for Village Education. The remaining seventy-six per cent of the cess on Land Revenue and on the Sayer of the Shimoga and Kadur Districts (where most of the Sayer is collected) was placed at the disposal of the various Local Fund Boards, while seventy-six per cent of the cess on the Excise and Miscellaneous Revenues and on the Sayer of Districts other than Shimoga and Kadur, was credited to "Local Funds General" to meet exceptional public local requirements beyond the ability of the various Local Boards.

The income at the disposal of the Local Boards of the various Districts from the 76 per cent of the one anna cess above explained and from minor sources aggregated Rs. 6,51,649, and the expenditure was distributed as follows:—

	Rs.
On Roads and other Public Works ...	5,01,761
On Sanitation, Medical aid, &c.	1,33,159
Total	6,34,920

The income of the "Local Funds General" amounted to Rs. 1,71,603 and the expenditure was as follows:—

	Rs.
1. Grants-in-aid to District Local Funds ...	48,272
2. Drinking water wells and Miscellaneous Public Improvements, &c.	33,334
3. Industrial School and Karnatic and Yunani Hospitals	11,435
Total.....	93,041

Municipal Funds.—The gross receipts of the two principal Municipalities of the Bangalore and Mysore Cities amounted to Rs. 2,78,588, being about Rs. 1—12—10½ per head of population. The income of the remaining 106 Municipalities was Rs. 3,55,954, being about Rs. 0-14-8 per head of population.

The total Municipal expenditure of the Province amounted to Rs. 6,10,230 and was distributed as follows:—

	Rs.		
1. Public Works ...	2,30,798	or 37·82	per cent.
2. Conservancy and Sanitation	1,20,119	or 19·68	„
3. Medical aid ...	39,945	or 6·55	„
4. Education	35,770	or 5·86	„
5. Miscellaneous ...	1,83,598	or 30·09	„
Total ...	6,10,230	or 100·00	

Public Works.—I will now pass in review our Public Works operations of the year.

The expenditure on works of all descriptions (exclusive of Railways) amounted to the large total of Rs. 40,30,021 against Rs. 34,01,894 of the previous year. This unusually large outlay was mainly due to the water-works of Bangalore and Mysore, as the cost of the machinery pipes and plant procured from Europe was necessarily very great, and each consignment had to be paid for as soon as delivered on board the steamer at the port of departure. A large proportion of the cost of these projects was therefore concentrated in this particular year.

The sources from which the outlay was met were as follows:—

	Rs.
General Revenues	32,33,502
District Funds	4,32,536
Irrigation Cess Fund	3,00,955
Palace and Other Departments	63,028
Total ...	40,30,021

Classifying by service heads, the distribution of the expenditure on both Original Works and Repairs, was as follows :—

	Rs.
Chamraj Water-works for the supply of the Bangalore City from Hessarghatta	7,13,550
Vanivilas Water-works for the supply of the Mysore City from the Cauvery river ...	2,52,961
Military Buildings	75,816
Civil Buildings	2,52,316
Communications	8,78,034
Miscellaneous Public Improvements	43,746
Irrigation	10,40,218
Tools and Plant	17,040
Establishment	5,86,001
Sanitary Works	1,12,020
Suspense Accounts	—4,709
Total	...39,66,993
Works debitable to Palace and other Departments	... 63,028
Grand Total	...40,30,021

I shall now proceed to give some details as regards works of all kinds under progress during the year.

Water-supply of Bangalore and Mysore.—I am happy to be able to inform you that both the Chamraj and Vanivilas Water-works are now practically completed and water is being distributed over the Cities of Bangalore and Mysore as fast as pipe-laying and fountain-building can be pushed forward. I have no doubt you share my belief that this great boon from His Highness the late Maharaja will most effectively conduce to the public health and weal. The two works together are estimated to cost about 20 lakhs, of which nearly one-half was expended during the past year.

Military Buildings.—Under "Military," new lines were built for the Barr Troops stationed at Bangalore, Chitaldroog and Shimoga. But nearly one-half the year's outlay was incurred for the purchase of the land required for the construction of proper barracks for the Imperial Service Troops at some distance from the town. It is necessary, for discipline and training, to house troops of this high class at a distance from the crowded quarters of the city, and therefore the abolition of the present barracks and their location on a suitable new site has been determined on. The estimate for the new barracks costing about 4¾ lakhs, has already been sanctioned, and it is proposed to regard the work as of an urgent character and to complete it as quickly as possible.

Civil Buildings.—Of the outlay of Rs. 2,52,316 incurred on Civil Buildings, Rs. 1,76,304 were spent on new buildings for the several Departments of the State, such as the Geological Laboratory at Bangalore, Residence for the Tutor and Governor to His Highness the Maharaja, three new Taluk Cutcherries, Record Rooms, &c.

Communications.—The expenditure under Communications amounted to Rs. 8,78,034. Five thousand and ninety-one miles

of road had to be maintained during the year; and in addition to this enormous mileage of opened roads, 102 miles of new roads, besides the large bridge over the Káveri at Yedatore and the metalling of many gravelled roads, were under execution.

The satisfactory completion and opening of the Yedatore bridge is, I am sure, a source of satisfaction to the whole population of that Taluk, and I hope that during this current year, the Public Works Department may be able to commence the construction of its companion bridge at Hole-Narsipur across the Hemávati river which is now so serious an impediment to free and easy communication between Mysore and Hassan. Another important bridge which I hope to see commenced in the current year is the one across the Bhadra river at Tadasa, which will vastly improve the accessibility of the coffee tracts about Koppa from the Railway and our main system of roads.

Irrigation.—Under Irrigation, the expenditure aggregated Rs. 10,40,218, of which Rs. 7,91,877 was debited to the General Revenues and Rs. 2,48,341 to the Irrigation Cess Fund. Progress was on the whole satisfactory, and several works which had been in hand for some years have now been completed.

In the Bangalore Division seven large tanks were under restoration and improvement, and six of them have already been completed.

In Tumkur, one small anikat, the enlargement of five major tanks and the large new reservoir across the Garudachella river near Mavatur, have been under progress, and the full utilisation of the great Borankanve Reservoir is being effected by extension of the channel system under it.

In Chitaldroog the large new tanks at Vuduvalli and Kathral progressed well.

In Mysore the Holasal (Talkad) channel extension and the new Hulhalli channel of Nanjangud were pushed on quickly and a large acreage of the lands commanded by them is already under irrigation.

In French Rocks, the Kalhalli channel extension and six major tank restorations progressed fairly.

In Shimoga the improvement and extension of the channel system under the great Sulikere tank were the chief Irrigation works in hand.

In Kadur the big Kuksandra Tank and the Bannur anikat and channels made satisfactory progress.

In Hassan the South Srirámadevara channel extension was nearly completed and the lands below it are being rapidly taken up for cultivation.

In the Alalkatte Channel Division, which was specially constituted for working out the new Chamaraj channel, which is to effect an important readjustment and extension of the Saligram Series, work progressed most rapidly during the year and it is expected that the current year will see this fine project completed, unless a still further extension of it, now under investigation, is found feasible.

Sanitation.—On Sanitary works the outlay incurred amounting to Rs. 1,12,020 was on the water-supply of Closepet, Chintamani, Hunsur, Yedatore, Nanjangud and Chikmagalur and on small works of sanitation and drainage for Chitaldroog, Harihar, Davangere, Kadur and Shimoga. The main and subsidiary drains and the roads in the Western Extension of Bangalore were also included under this head.

Railways.—The survey of the proposed Railway from Arsikere to Mangalore on the West Coast, *viâ*, Hassan and Manjarabad, has been completed by the British Government. The cost of the Ghaut portion is expected to be very heavy, and the project is therefore in abeyance, pending further investigation of the amount of traffic which the line may be expected to command. In the meantime, the Durbar are anxious to undertake the construction of a part of this Railway, namely the section from Arsikere to Hassan, and proposals for it have accordingly been submitted to the Government of India for its sanction.

The branch from Birur to Shimoga has been recently approved by the Government of India and arrangements for its construction are now being made.

Forecast.—You will observe from the foregoing brief summary that the effort of the last 10 or 12 years towards the development of the country by the construction of Railways, the improvement of communications, the extension of irrigation and the execution of important water-supply and sanitary works, was not relaxed during the past year. It is the intention of the Durbar to maintain the same liberal policy in the future to the utmost extent of the State's financial resources for the time being. But I may here state that the enhanced Subsidy falls due from the current year, and that in view of the retrenchment thereby rendered necessary, the chief spending department of the State was naturally the first to come under consideration for a curtailment of its operations. It has been decided to reduce the normal annual D. P. W. grant for works other than Railways, from the 25 lakhs of the past five years to 15 lakhs in future years, but as this reduction will involve the abandonment of several large works of recognized utility which ought not to be postponed, it is the intention of the Durbar to provide for these specific works by a special annual grant based on their requirements and spread over a series of years. Hence the Budget sub-division of the current year's Grant from General Revenues, into "Ordinary" and "Special."

Geology.—The field and prospecting work performed by the Department during the year resulted in a large addition to the knowledge of the mineral wealth of the State. The training of Apprentice Geologists continues to receive the best attention of the Department. The area geologically

mapped during the tours of the year was nearly 500 square miles. The general geological character of a considerable tract was also ascertained. The inspection of Gold Mines formed a good part of the work of the Department. The prospecting work has brought to notice the great wealth in iron ores, both magnetic and hematitic, of the beds forming the upper part of the Dharwar System in the Baba Budan Hills and the group of great hills west of Kadur.

Administration of Justice.—Mr. Justice J. W. Best, Barrister-at-Law, a retired Puisne Judge of the Madras High Court, was appointed Chief Judge of Mysore and in November 1895 he assumed charge of that office from Rajadharma Pravina Mr. T. R. A. Thumboo Chetty, C. I. E., who till then held it in addition to his duties as Councillor.

The temporary Sub-Judge's Court at Shimoga which had been closed from 1st July 1895, has since had to be re-established, and a European Magistrate has been stationed at Saklespur with jurisdiction over the important Coffee Taluks of Manjarabad and Belur.

The Civil litigation of the Province shows an increase of 11·72 per cent, the number of regular suits and miscellaneous cases having risen from 34,620 to 38,678 and their aggregate value from $21\frac{1}{2}$ to $32\frac{1}{2}$ lakhs of rupees.

The reported crime was 4·75 per cent less than in the previous year and there was attained a greater measure of success in the prosecution of the more heinous offences. In Coffee Tracts the special arrangements made to prevent and detect coffee stealing are reported to have given general satisfaction.

In the Police Department the most important measure of the year was the introduction of a scheme for the employment of village Talaris to aid the regular Police in watching the more exposed high roads. Four hundred and forty-six out-posts were established on such roads at an annual cost of Rs. 19,694. The present rates of pay for Police Constables were fixed when the Police was first organized in 1873-74; and having regard to the changes which the material and economic conditions of the Province have since undergone, the same were raised during the year from Rs. 6 and 7 to Rs. 7 and 8 respectively.

With a view to improve the efficiency of the Police in the Kolar Gold Fields, the Coffee Tracts and the City of Bangalore, a revised scale of pay for Special Inspectors and Constables has been sanctioned.

The jurisdiction over the following State Railway Lines was ceded to the British Government :—

(1) Bangalore-Harihar Line.
(2) Yeswantpur-Hindupur Frontier.
(3) Kolar Gold Fields Branch.

Registration.—The number of documents registered increased from 42,974 to 44,230, and the value of property involved from 113½ to 135¾ lakhs of rupees. The substitution of salaried Sub-Registrars for the Taluk Officials who are unable to devote their undivided attention to Registration work, is being gradually carried out.

Education.—Public Instruction continued to make satisfactory progress. The number of public schools rose by 111 and the number of pupils by 3,123. The total number under instruction in all the schools, both public and private, was 112,014, of whom 98,449 were boys and 13,565 were girls. The percentage of boys and girls under instruction to the male and female population of the school-going age was 26·97 and 3·75 respectively. The attendance at the 40 schools for the education of the depressed classes was 1,483. Among the more important measures introduced during the year, may be mentioned the system of giving grants-in-aid to village indigenous schools of which as many as 57 have already availed themselves of the benefit of the measure. The total expenditure on Public Instruction was Rs. 8,46,390 of which Rs. 4,47,702 was paid from the General Revenues, while the balance was contributed as follows :—

Rs.	
1,93,920	by Local Funds.
30,719	by Municipal Funds.
92,570	by School Fees.
81,479	by Other Sources.

Archæology.—The printing of the Inscriptions collected by the Survey, amounting to about 9,000, is being pushed on, and 3,515 have up to date been printed. Part II of Inscriptions in the Mysore District, containing 880 Inscriptions, is approaching completion.

The publication has been undertaken of *Nripátunga's Kavirájamárga*, of the 9th century, the oldest work in Kannada of which we have copies.

Oriental Library.—Three hundred and twenty-five Sanskrit and thirty-eight Kannada manuscripts were added to the Library. Among the new Sanskrit manuscripts is a work called *Nitiprakásika* on *Dhanurveda* or the Military Science. Four additional volumes of the Government Oriental Library Series of Sanskrit works were published.

Mujroyi.—In the Mujroyi Department much useful work was done. Fifty-nine religious and charitable buildings in varying stages of decay were restored. The Registers of Ready Money Inams were all revised and reprinted. The succession to the Guruship of four Matts was recognized. The more important temples and chattrams in the Bangalore Kolar, Tumkur and Mysore Districts were improved and placed on an efficient and satisfactory footing.

Medical.—The public health of the year was on the whole satisfactory. There were no epidemics of any kind. In the 117 Government Hospitals and Dispensaries the number of patients treated was 716,112 being 148 per mille of the population. The Female Hospitals at Mysore and Bangalore continued to maintain their popularity and afforded relief to 20,477 patients, of whom 481 were lying-in patients. In the Mysore City, side by side with the European system which is under direct Government management, the old Karnatic and Yunani systems of treatment appear to flourish and to be largely resorted to.

Legislation.—The Regulations passed during the year were:—

II of 1895.—A Regulation to assimilate the Law relating to Post Offices in Mysore to that in force in British India.

III of 1895.—A Regulation to introduce into the Territories of Mysore Act VI of 1882 (The Indian Companies Act).

I of 1896.—A Regulation to provide for the appointment of a Special Tribunal to pass final judgment in the matter of the claim of Brijilal Dass against the Government of Mysore.

The last of these Regulations was intended to settle once for all a long pending question, as to the party, if any, entitled to receive the sum of Rs. 5,67,338-15-1 awarded in December 1864 in favor of Brijilal Dass, one of the creditors of His Highness Maharaja Krishnaraja Wodayar III. The Special Tribunal appointed under the Regulation has already tried and dismissed the claims submitted to it. But as the State is anxious that the expressed intention of the original creditor to devote a substantial portion of the claim to public charities, should in no way be defeated by the fact of his having left no legal successors, steps will be taken in due course to assign the intended amount for the establishment and maintenance of suitable charities in his name.

Of proposed Regulations the most important is the one for the special protection of Gold Mines. It has already been submitted to the Government of India for its sanction and I trust to be able very soon to bring it into effect in the form which may finally be approved by that Government. The measure is, I understand, viewed with special satisfaction by the various Mining Companies and I have no doubt it will conduce to the efficient protection of the important interests involved.

Another matter on which the Durbar have been anxious for a long time past to take the needful action relates to the important coffee industry. The inadequacy of the present labor law and the absence of means for securing the attendance of laborers absconding beyond the State, have for several

years engaged the most attentive consideration of this Government. On the latter of these questions, the Mysore Coffee Planters are admittedly under a marked disadvantage owing to the conditions of their special environment. You are aware that the entire subject of the disadvantages of the planting industry in the south of India has been carefully investigated by a special commission appointed for the purpose by the British Government, and we may be sure that whatever remedial measures can be accomplished by patient research and wise counsel, will be secured for us by the labors of this commission which was presided over by our Resident from whose sympathy for the industry and intimate acquaintance with its practical wants, we are entitled to hope for the best possible results.

Gentlemen, it only remains for me now to announce to you the State Monuments and Charities which have been determined upon in memory of His Highness the late Maharaja Sri Chamarajendra Wodayar, G.C.S.I.

		Rs.
I.	Equestrian Statue at Mysore	1,00,000
II.	An Industrial School at Mysore with endowment of scholarships for poor students	1,00,000
III.	Dharmasalas at Calcutta, Lower Tirupati and Seringapatam, and Temple at Mysore	2,00,000
IV.	Maintenance of the above	4,00,000
	Total	8,00,000

The Equestrian Statue which evoked such universal enthusiasm at our last meeting is already in the hands of Mr. Onslow Ford, the well known English Sculptor. The others are being executed or matured on a suitable scale and will be completed as quickly as possible. In addition to these Memorials, the great Káveri Channel from Alalkatte and the Bangalore Water-Supply from Hessarghatta—both works of the highest public utility which owed their origin to the wise beneficence of our late Sovereign—have now been called after His beloved name as appropriate and lasting Monuments of His illustrious reign.

MYSORE,
19*th October* 1896.

K. SHESHADRI IYER,
Dewan of Mysore.